

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF EXPENDITURE**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1502**

**TO BE ANSWERED ON TUESDAY, 20<sup>th</sup> DECEMBER, 2022  
29 AGRAHAYANA, 1944 (SAKA)**

**Revenue deficit of States**

**1502. SHRI NIRANJAN BISHI:**

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has any plans to tackle the widening revenue deficit among the Indian States leading to an increase in the overall debt-to-GDP ratio since 2014-15 after declining continuously between financial years 2004-05 to 2013-14;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE

**(SHRI PANKAJ CHAUDHARY)**

(a) to (c) All States have enacted their Fiscal Responsibility and Budget Management (FRBM) Act. Compliance to the State FRBM Act is monitored by the respective State Legislatures. FRBM Acts of States generally make the State Governments responsible to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, reduction in fiscal deficit, prudent debt management consistent with fiscal sustainability, greater transparency in fiscal operations of the government and conduct of fiscal policy in a medium term framework.

The Fifteenth Finance Commission (15<sup>th</sup> FC) has recommended Revenue Deficit Grants amounting to Rs. 2,94,514 crore for seventeen States for the five years period from 2021-22 to 2025-26. Based on the recommendations of 15<sup>th</sup> FC, Revenue Deficit Grant of Rs. 1,18,452 crore were released to States in FY 2021-22 and Rs. 64,650.75 crore has been released in current FY 2022-23 upto 16.12.2022.

Department of Expenditure, Ministry of Finance generally follows the fiscal limits mandated by the accepted recommendations of the Finance Commission while exercising the powers to approve borrowings by States under Article 293 (3) of the Constitution of India.

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